

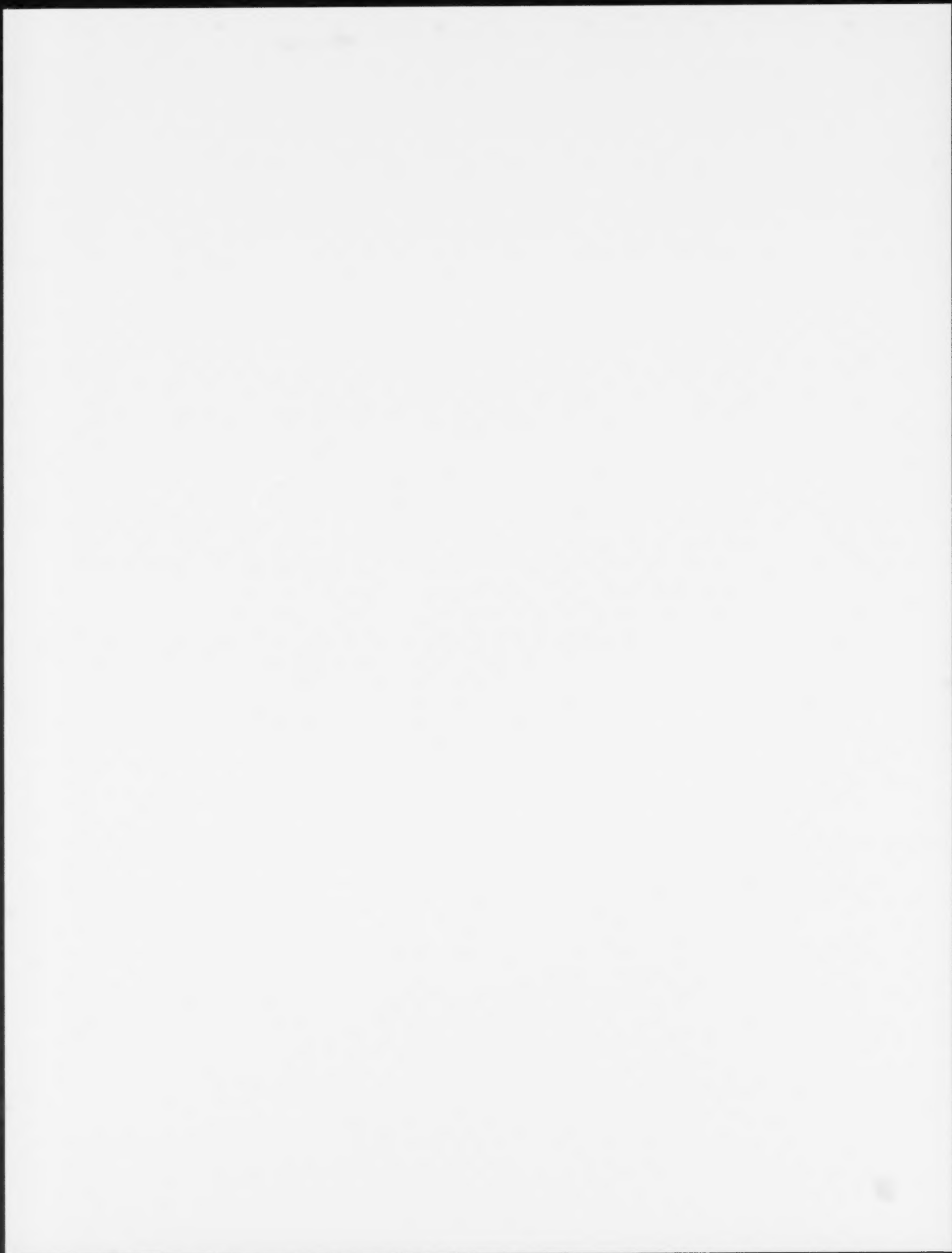
Ministry of Finance



Plan for 2013-14



Government
of
Saskatchewan



PLAN FOR 2013-14

Statement from the Minister



I am pleased to present the Ministry of Finance Plan for 2013-14.

The Government's Direction and Budget for 2013-14 are built on the principle of Balanced Growth, supporting an ongoing focus on sound economic growth and shared prosperity.

This Plan supports the Ministry's goals of achieving sound public policy, financial performance and growth, along with promoting accountable government and delivering excellence in service. The Ministry of Finance will continue to lead efforts across government to review programs and services to ensure they remain effective and are the best use of public funds.

I accept responsibility for ensuring that the Ministry is managed with integrity and professionalism and furthers Government's commitments.

We will report on the progress made toward this Plan in the Ministry's 2013-14 Annual Report.

*The Honourable Ken Krawetz
Deputy Premier
Minister of Finance*

Response to Government Direction

The government remains committed to further establishing Saskatchewan as the best place to live, work and raise a family.

The Saskatchewan Plan for Growth – Vision 2020 and Beyond identifies principles, goals and actions to ensure Saskatchewan continues to benefit from the opportunities and meet the challenges of a growing province. Keeping government's focus on *Balanced Growth*, the plan outlines the key activities that the Government of Saskatchewan will undertake in pursuit of sustained, disciplined growth and a better Saskatchewan.

Government's Vision

"...a strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth
and opportunities for
Saskatchewan people

Improving our
quality of life

Making life
more affordable

Delivering responsive
and responsible
government

Government's vision and four goals provide the framework for ministries, agencies and third parties to focus on achieving greater success in the delivery of government services. *The Saskatchewan Plan for Growth – Vision 2020 and Beyond* provides the enabling strategies and actions that the Government of Saskatchewan will undertake to build a strong and growing Saskatchewan. The 2013-14 budget theme of *Balanced Growth* reflects the government's commitment to achieving the Saskatchewan Plan for Growth.

All ministries and agencies will report on progress and results achieved in their 2013-14 annual reports. This honours government's commitment to keep its promises and ensures greater transparency and accountability to the people of Saskatchewan.

MISSION, STRATEGIES AND ACTIONS

Mission Statement

Support good governance by providing expert economic, financial and fiscal policy advice and professional services.

Develop and recommend options to achieve sound public policy, financial performance and growth

Strategy

A Competitive Tax System

Key Actions

- Review provincial tax policies to ensure the tax system is fair, adequate, and competitive.
- Within this context, the Saskatchewan Plan for Growth sets out the following priorities and specific actions as it is affordable within a balanced budget:
 - Lower the general corporate income tax rate from 12 per cent to 10 per cent by 2015.
 - Continue to pursue business tax competitiveness to ensure Saskatchewan remains one of the best places in Canada to start and grow a small business.
 - Continue to pursue personal income tax competitiveness.
 - Identify opportunities to facilitate corporate presence and private-sector economic growth by introducing new growth non-refundable tax credits to attract investment, with an initial focus on non-refundable tax credits to encourage new capital investment in the province's manufacturing and processing sectors.
 - Monitor Saskatchewan's tax system, including credits and incentives, to ensure they are effectively contributing to economic growth and making Saskatchewan a competitive place to start and grow a business by facilitating business attraction and investment expansion.



Photo Credit: Enterprise Saskatchewan, Greg Huszar Photography, Mosaic Belle Plaine site

Strategy

Sustainable Fiscal Management

Key Actions

- ✚ Ensure expenditures align with Government's economic and social priorities, are adequately resourced, and are sustainable.
- ✚ Provide fiscal policy options for continued balanced budgets and segment the Growth and Financial Security Fund so that the security component maintains approximately \$500 million and future additional transfers from the GRF accrue to the growth component.
- ✚ Monitor progress on reducing Government general public debt to half of its March 31, 2008 level by March 31, 2017.
- ✚ Monitor and report on the size of the public service relative to the Saskatchewan population and facilitate government's interest in public service renewal.
- ✚ Provide guidance and advice to promote the use of a market-based compensation approach to ensure settlement of competitive collective agreements.
- ✚ Continue to work with ministries to improve planning, budgeting and forecasting.

Strategy

Infrastructure and Growth

Key Actions

- ✚ Work with SaskBuilds, ministries and others to: drive innovation in infrastructure financing, design and delivery, including public-private partnerships; and, facilitate investment in the infrastructure needed to support health, education and quality of life priorities.
- ✚ Invest \$2.5 billion over the next three years in infrastructure.
- ✚ Facilitate improved infrastructure planning by developing options to release a capital plan for the next fiscal year each fall.



Photo Credit: Ministry of Parks, Culture and Sport, Hans-Gerhard Pfaff, Victoria Park, Downtown Regina

Strategy

Effective Treasury Operations

Key Actions

- ▮ Service outstanding debt ensuring the timely and accurate payment of interest and principal and reduce outstanding debt as directed.
- ▮ Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.
- ▮ Implement the transfer of budget surplus funds in accordance with *The Growth and Financial Security Act*.
- ▮ Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet Government and Crown requirements.
- ▮ Maximize the return on investment of sinking fund and Growth and Financial Security Fund monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds.
- ▮ Provide cash management services for the General Revenue Fund (GRF), Crown corporations, and other government agencies.
- ▮ Maintain good working relationships with credit rating agencies to ensure accurate information is utilized in the analysis of the Province's creditworthiness.

Strategy

Optimized Revenue to the Province

Key Actions

- ▮ Work with provincial agencies to annually review own-source budgetary revenues for which they are responsible.
- ▮ Promote compliance with Saskatchewan's tax programs through quality service, taxpayer education and responsible, effective enforcement.
- ▮ Effectively enforce Saskatchewan's tax programs using a comprehensive risk-based audit selection process to allocate audit resources.
- ▮ Use proactive outreach and education to improve voluntary tax compliance for businesses identified as low to medium risk.



Photo Credit: Tourism Saskatoon, City of Bridges

Strategy

Strengthened Strategic Partnerships

Key Actions

- ⇒ Work with ministries and the federal government to develop fair and effective federal/provincial agreements that address common interests.
- ⇒ Participate in ongoing discussions with federal, provincial and territorial governments on issues related to the major intergovernmental fiscal arrangements, including transfers in support of health care, post-secondary education and social programs.
- ⇒ Continue to review, with federal and provincial governments, Canada's current retirement income system. Specific actions include monitoring the implementation of Pooled Registered Pension Plans in Saskatchewan and across Canada, as well as continuing to consider various options for modest and targeted expansion of the Canada Pension Plan.
- ⇒ Continue to discuss tax administration agreements with interested First Nations in which the Province would relinquish the authority to levy the Liquor Consumption Tax on-reserve and allow First Nations to levy their own fee on on-reserve liquor sales. Agreements would require the on-reserve levy to be in the same form and level as the fee levied off-reserve by the Province under *The Liquor Consumption Tax Act*, with all on-reserve revenue going to the First Nation.
- ⇒ Provide analysis and advice in order to manage stakeholders' relationships through the public sector bargaining process.



Photo Credit: Ministry of Parks, Culture, and Sport, photo by Paul Austring, Blue Sky over Duck Mountain

Promote accountable government

Strategy

Accountable Financial and Performance Management

Key Actions

- ▢ Prepare timely, reliable, and relevant General Revenue Fund and Summary Financial Statements.
- ▢ Review and approve financial statements of Treasury Board Crowns and agencies.
- ▢ Provide input into the activities of Canadian and international accounting standard setting bodies.
- ▢ Ensure government-wide financial management policies and procedures are sound.
- ▢ Ensure government-wide accounting policies are in accordance with Public Sector Accounting Board (PSAB) pronouncements.
- ▢ Lead and support key components (planning, accountability and reporting) of Government's accountability framework.
- ▢ Oversee government-wide annual plans, performance measurement and annual reporting, including continuous improvement.
- ▢ Explore opportunities that would increase efficiency and promote greater utilization of strategic plans to drive performance and results.
- ▢ Lead, coordinate and support the continued transformation of program review across government.

Strategy

Efficient Financial Systems and Processes to Support Good Governance

Key Actions

- ▢ Assess the ongoing activity of the Ministry's internal audit/compliance review unit.
- ▢ Assess the internal controls of the Government's financial systems and assist in the development and implementation of improvements where required.
- ▢ Develop additional computer assisted audit processes to identify financial transactions that may not comply with laws, regulations and policies.
- ▢ Develop and deliver financial management fundamentals training for managers and employees to build financial management capacity in the public service.
- ▢ Assess the MIDAS Support model to determine the best option to provide ongoing support for MIDAS and implement that model.



Photo Credit: Ministry of Parks, Culture and Sport, Nancy Ackerman, Dancers, Carry the Kettle First Nation

Key Actions (Continued)

- 1. Provide accounts payable and travel expense claim processing services for executive government and continue to refine processes to maximize efficiencies.
- 1. Further expand the Government's purchase card program, including implementation of a one-card solution for purchasing and travel.

Strategy

Deliver excellence in service while making best use of public funds

Key Actions

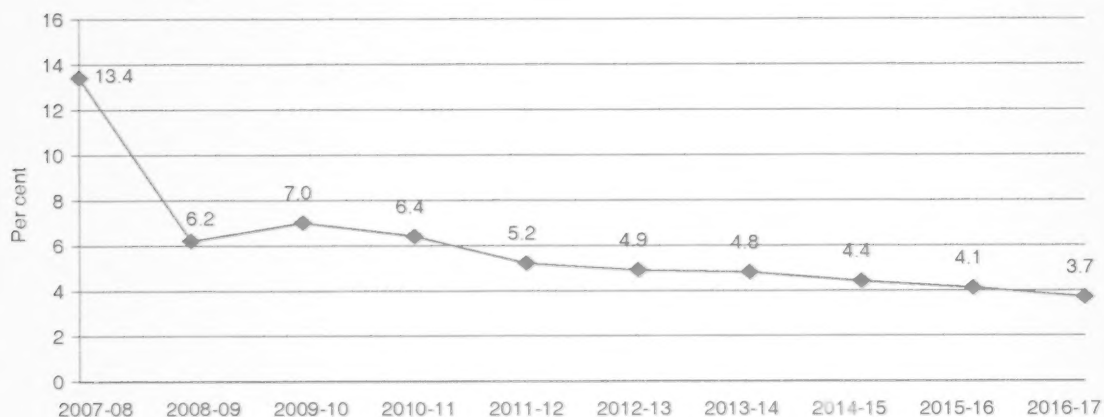
- 1. Continue to achieve Public Service Renewal through focused efforts on:
 - 1. Core Service Review
 - 1. Conduct program reviews as per the Ministry four-year plan.
 - 1. Simplification
 - 1. Use LEAN methodologies and techniques to conduct process efficiency reviews, building upon our Ministry's culture of continuous improvement.
 - 1. Enterprise Approaches
 - 1. Actively apply an enterprise approach to initiatives/projects underway in the Ministry, and participate on cross-ministry initiatives.
 - 1. Citizen Centered Service
 - 1. Identify improvement projects and apply a citizen-centered lens to initiatives/projects underway in the Ministry.
 - 1. People Management
 - 1. Implement the Ministry Workforce Plan, with particular attention to succession management, training and development, and organizational culture.

PERFORMANCE MEASURES

The Ministry of Finance has provided two broad categories of performance measures in its plan. The first set is a select group of government-wide indicators while the second set is a grouping of ministry-specific measures.

Measure

Government Debt as a Percentage of Gross Domestic Product (Debt-to-GDP ratio)



Source: Saskatchewan Public Accounts; 2013-14 Budget; Saskatchewan Provincial Economic Accounts

Measure Description

One facet of the Government's financial plan is to manage Government debt levels. The Ministry of Finance, as well as external investors and agencies, closely monitor the Province's debt-to-GDP ratio and overall credit ratings. A decreasing debt-to-GDP ratio indicates a declining drain on economic resources to service and repay debt and an associated increase in the fiscal flexibility of the Province. Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy.

This ratio is calculated by dividing GDP for the previous calendar year by the level of Government general public debt at March 31. Debt is gross debt net of sinking funds. Gross debt is the amount owed directly to lenders and sinking funds are set aside for the repayment of that debt. Government general public debt is borrowed to finance government programs as opposed to debt borrowed for and repayable by Crown corporations.

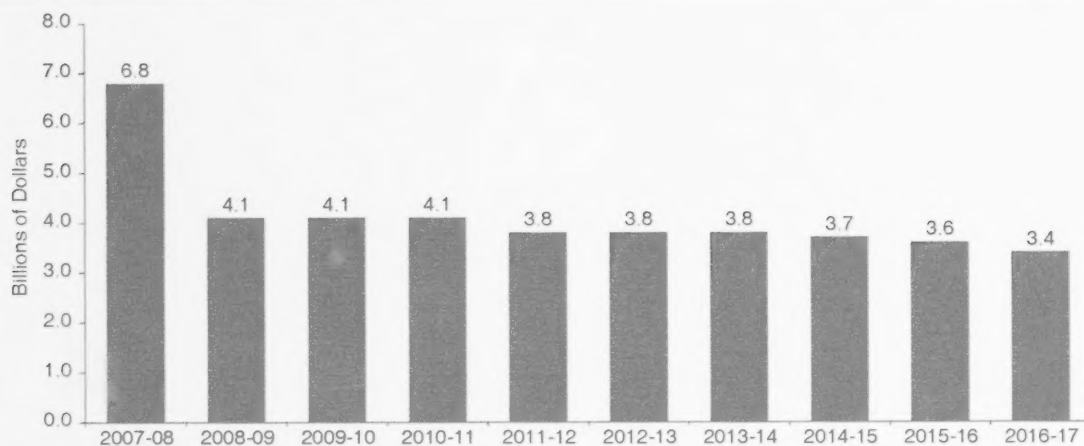
This measure is influenced by the state of the global, North American, and Canadian economies, as well as the level of government general public debt. Saskatchewan's nominal GDP is projected to continue growing and Saskatchewan's level of government general public debt is projected to continue falling. The debt-to-GDP ratio is significantly below previous years (13.4 per cent in 2007-08) and the 2013-14 Budget forecasts the debt-to-GDP ratio to continue to decline.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Dock Jumpers

Measure

Government General Public Debt



Source: Saskatchewan Ministry of Finance

Measure Description

The Province is committed to cutting government general public debt to half of its March 31, 2008 level by March 31, 2017. This will require a debt reduction of \$0.4 billion between March 31, 2013 and March 31, 2017.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Over the Hill Orchards

Measure

Government Credit Ratings

Jurisdiction	Rating Agency		
	Moody's	Standard & Poor's	DBRS
British Columbia	Aaa*	AAA	AA(high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1**	AAA	AA
Manitoba	Aa1	AA	A(high)
Ontario	Aa2	AA-	AA(low)
Quebec	Aa2	A+	A(high)
New Brunswick	Aa2	A+	A(high)
Nova Scotia	Aa2	A+	A**
Prince Edward Island	Aa2	A	A(low)
Newfoundland and Labrador	Aa2	A+	A
Canada	Aaa	AAA	AAA

Credit ratings as of December 12, 2012.

* Negative outlook ** Positive Outlook

Measure Description

A credit rating is an independent evaluation by a recognized, objective agency of a borrower's willingness and ability to service and repay debt. Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap. Typically, the higher the credit rating, the lower the risk to the investor and the less the issuer will have to pay in borrowing costs.

Saskatchewan's credit rating compares well when ranked against other Canadian provinces. All credit rating agencies now rate the Province at the "AA" level or above. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.

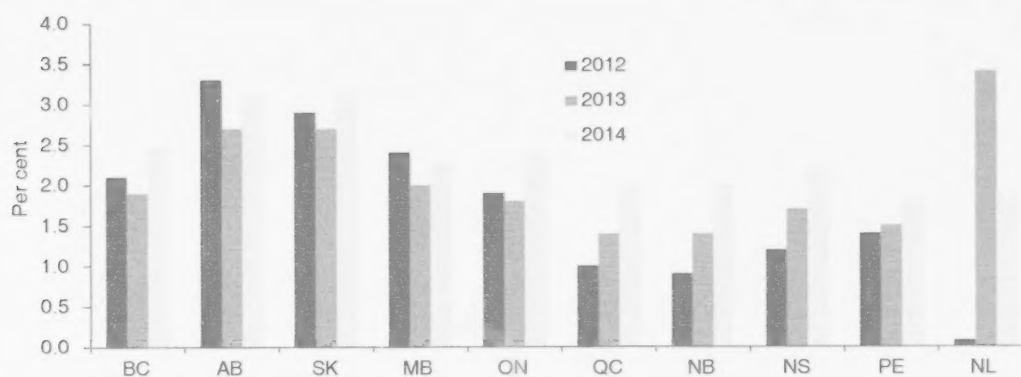
Moody's Investor Service improved its outlook for Saskatchewan. They attributed this to the ongoing improvement in the Province's financial position, including Saskatchewan's sustained low debt burden.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Jones Peak, near Eastend

Measure

Private Sector Forecasts of Real GDP Growth



As of March 8, 2013

Source: IHS Global Insight, Conference Board of Canada, Centre for Spatial Economics and all of the major Canadian banks.

Measure Description

The Ministry of Finance closely monitors several economic, fiscal and demographic indicators. Private sector forecasts of real GDP growth show how the private sector expects the Saskatchewan economy to perform relative to other provincial economies. Percentages considered here are the average of private sector forecasts.

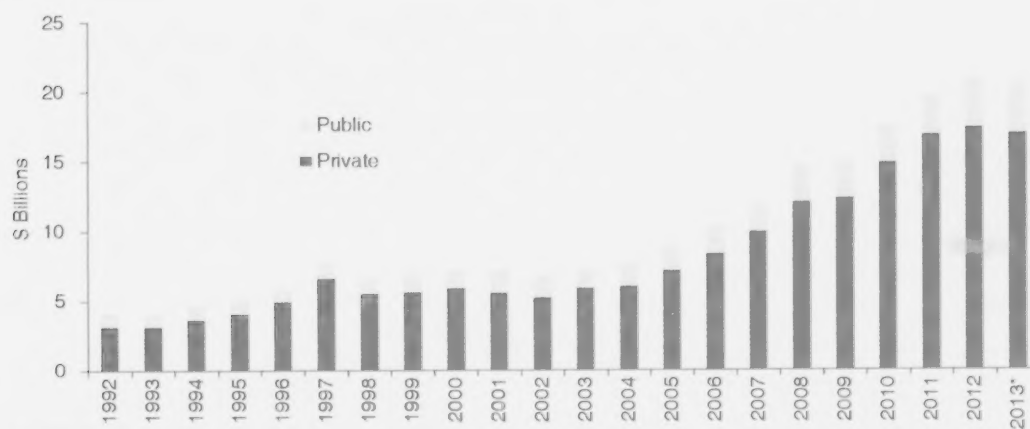
Private sector forecasters, on average, expect Saskatchewan real GDP to grow by 2.7 per cent in 2013 (tied with Alberta for second highest growth among provinces) and 3.1 per cent in 2014 (tied with Alberta for highest growth among provinces).



Photo Credit: Ministry of Parks, Culture and Sport, Devona Hill Photography, Rolling Pines Golf and Country Resort

Measure

Total Capital Investment in Saskatchewan (Public and Private Investment)



Source: Statistics Canada * 2013 figure represents planned expenditures

Measure Description

Capital spending in the province demonstrates confidence in Saskatchewan as a place to invest and helps to provide for future economic growth. The data originates from Statistics Canada's Private and Public Investment Intentions Survey, which is an annual survey that collects data on the intentions for capital investment and the expenditures for the previous two years.

After reaching a record high level in 2012, Saskatchewan's total capital investment is expected to decrease slightly to \$20.5 billion in 2013, down 2.0 per cent from 2012.



Photo Credit: Enterprise Saskatchewan, Greg Huszar Photography, Mosaic Belle Plaine site

Measure

Income and Sales Taxes Paid by Representative Taxpayers

Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers									
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single parent family earning \$25,000	\$466	\$382	\$176	\$20	(\$177)	(\$128)	(\$188)	(\$182)	(\$174)
One income family earning \$50,000	\$4,124	\$4,001	\$3,679	\$2,207	\$2,098	\$1,858	\$1,471	\$1,277	\$1,186
Two income family earning \$75,000	\$6,656	\$6,516	\$6,096	\$4,710	\$4,601	\$4,571	\$4,117	\$3,965	\$3,923

Source: Ministry of Finance, Tax Simulation Models.

Measure Description

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents. A negative value indicates that refundable tax credits exceed taxes payable.

The calculations upon which the performance measurements are based are performed by the Ministry of Finance using internal tax simulation calculations. Each of the measures is based on determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- ✦ each family has two dependent children;
- ✦ for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- ✦ the single parent family and the two-income family claim \$3,000 in deductible child care expenses; and,
- ✦ each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions.

The Provincial Sales Tax is calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The refundable Saskatchewan Low-Income Tax Credit is also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the fairness of the provincial tax system.



Photo Credit: Ministry of Parks, Culture and Sport, Davin Andrie, Hunt Falls

Measure

Interprovincial Tax Comparisons for Selected Average Family Profiles

Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers									
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single parent family earning \$25,000	3rd	3rd	3rd	2nd	2nd	2nd	1st	2nd	2nd
One income family earning \$50,000	4th	4th	3rd	2nd	2nd	2nd	2nd	2nd	2nd
Two income family earning \$75,000	4th	4th	4th	3rd	3rd	2nd	2nd	2nd	2nd

Source: Ministry of Finance, Tax Simulation Models.

Measure Description

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces.

The calculations upon which the performance measurements are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers.

- ▣ Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.
- ▣ Provincial sales taxes are calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province.
- ▣ Refundable provincial income tax credits designed to reduce the impact of income and sales taxes are also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the competitiveness of the provincial tax system.



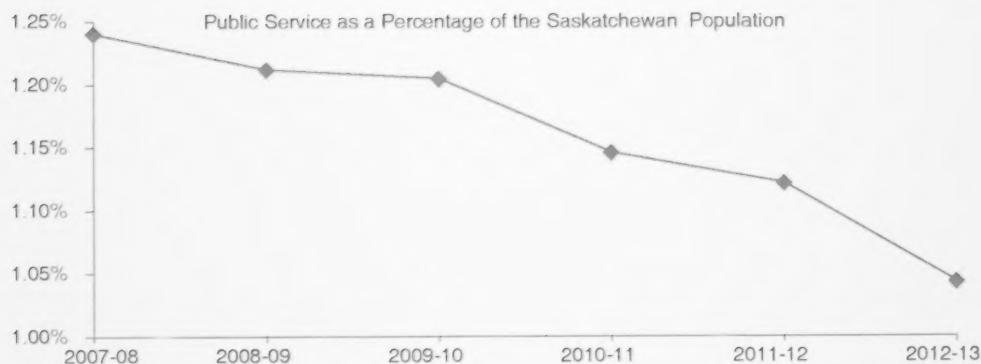
Photo Credit: Saskatchewan Watershed Authority, photo by Jim Kroshius, Kalepwa Weir

Measure

Public Service as a Percentage of the Saskatchewan Population

	2007-08 (Base Year)	2008-09	2009-10	2010-11	2011-12	2012-13 (Budget)
Population at July 1 ¹	1,000,171	1,013,784	1,029,499	1,044,363	1,057,804	1,079,958
Public Service FTEs ^{2,3}	12,405	12,284	12,400	11,967	11,883	11,266
Public Service as percentage of population ³	1.24%	1.21%	1.20%	1.15%	1.12%	1.04%

1. Population numbers are revised from Statistics Canada, as of July 1 of the fiscal year. This data is available on the Bureau of Statistics website (www.stats.gov.sk.ca).
2. The Growth and Financial Security Act definition of public service: FTEs for employees not employed under The Public Service Act, 1998 are excluded.
3. For 2007-08 to 2011-12, totals are based on actual FTEs (data from Ministry of Finance Annual Reports); budgeted FTEs for 2012-13 are shown (actual FTEs will be reported in the 2012-13 Ministry of Finance Annual Report).



Measure Description

The Growth and Financial Security Act (GFSA) requires Treasury Board to monitor the size of the public service and determine if it is growing or diminishing as a percentage of the Saskatchewan population. This measure allows Treasury Board to undertake initiatives with respect to controlling the size of the public service while balancing Government priorities such as improving programs and providing quality services to the public at the lowest cost to the taxpayer. The publication of this measure in the Ministry of Finance's Ministry Plan and Annual Report supports Government's commitment to increased transparency and accountability.

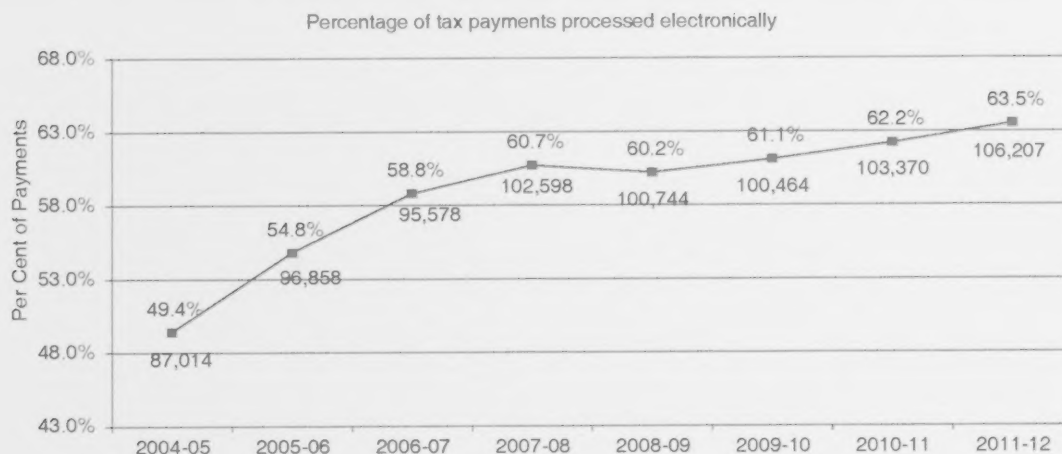
When compared to the 2007-08 baseline, the year in which the monitoring requirements were introduced through the GFSA, the public service has diminished as a percentage of the population each consecutive year from 1.24 per cent in 2007-08 to 1.04 per cent in 2012-13. The cumulative growth in population was 8 per cent while the public service declined by 9 per cent.



Photo Credit: Ministry of Parks, Culture and Sport, Hans-Gerhard Pfaff, Saskatchewan Legislative Building

Measure

Percentage of Tax Payments Processed Electronically



Measure Description

The Ministry strives to provide excellent client services by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically measures how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from statistical reports generated from the main revenue system.

The Ministry continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown significantly over the last five years and efforts to promote the use of electronic services will continue. However, the Ministry has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque.

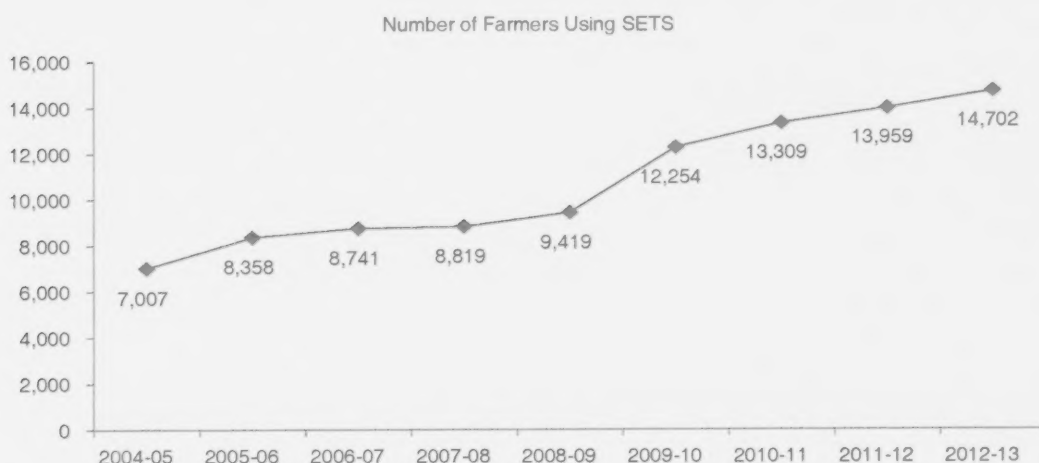
The percentage of tax payments processed electronically for 2012-13 is projected to be about 64% and is expected to increase to about 65% in 2013-14.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Nesslin Lake Campground

Measure

Number of Farmers that Applied for Fuel Tax Permit Renewals On-line



Measure Description

Saskatchewan Electronic Tax Services (SETS) offers farmers, commercial loggers, and trappers a secure, fast and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. The number of farmers that filed permit renewals on-line tracks the Ministry's progress towards easing tax compliance and reducing the regulatory burden.

As a result of a Lean project completed in 2012-13, recommendations were implemented to provide efficiencies in the administration of the Farm Fuel Program. Through the automation of manual processes and reallocation of resources, processing timeliness and client service have and will continue to improve.

The basis for recording the number of farmers using SETS was changed from a fiscal year to a program year going back to 2009-10 to be consistent with prior years reporting and to avoid possible double counting of some farmers on a fiscal year reporting basis.

The Ministry continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration. However, the Ministry has limited influence over this measure as some applicants do not have access to a computer with an Internet connection or simply prefer to mail in a completed application.



Photo Credit: Ministry of Parks, Culture and Sport, photo by Paul Astring, Duck Mountain

Measure

Provincial Auditor's Assessment of Government's Accountability Systems

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of Ministry plans and reports
2011 Report	N/A	N/A***
2011 Report, Vol 2, Ch 26B	Yes	Improving
2010 Report	N/A	N/A***
2009 Report, Vol. 3, Ch 19	Improving	Improving **
2008, Vol. 3, Ch. 20	Partial	N/A
2007, Vol. 3, Ch. 9	Partial	N/A *
2006, Vol. 3, Ch. 14	Yes	Positive
2005, Vol. 3, Ch. 9 & 11	Yes	Positive
2004, Vol. 3, Ch. 15	Yes	Positive
2003, Vol. 3, Ch. 13	Yes	Positive

Source: Provincial Auditor's Reports, available on-line at www.auditor.sk.ca

* The Provincial Auditor's (PA) approach to assessing government's accountability system has differed over the years: from 2003-06, the PA assessed Finance's processes, guidelines and a small sample of ministry plans; from 2007 on, the PA's focus shifted to solely examine government's accountability system and processes.

** In 2009, the PA assessed only a small sample of ministries but concluded that "public plans of ministries are improving".

*** In 2010, a specific chapter on government accountability was not included in the Fall Report.

Measure Description

The Ministry of Finance uses the Provincial Auditor's assessment of Government's accountability systems to gauge progress on the Ministry's efforts to promote accountable government. The table above shows that the Provincial Auditor's approach has changed over the years and a sample of ministry annual reports was not reviewed in each year.

From 2003 to 2006, the Provincial Auditor held a positive view of government's overall approach to its accountability system, the guidelines provided to ministries, and the plans and annual reports produced by the ministries. In 2007, the Auditor was only partially satisfied, indicating that progress was not being made on the full implementation of the "The Canadian Comprehensive Auditing Foundation (CCAF) Nine Principles" for public reporting, as originally intended.

In 2009, the Provincial Auditor's assessment was again more positive, indicating that government's overall approach to accountability was improving as were the individual ministry plans and annual reports. In the fall 2010 Report, the Provincial Auditor did not write a specific chapter on government accountability. This resulted in a lack of data for this performance measure in 2010.

In the fall of 2011, the Provincial Auditor again reviewed a sample of annual reports to determine how well ministries and agencies were achieving 'best practices'. In this review, the Provincial Auditor assessed the annual reports according to the Public Sector Accounting Board (PSAB) Statement of Recommended Practice (SORP-2) principles for effective reporting.



Ministry of Parks, Culture and Sport, Greg Huszar Photography, Motherwell Homestead National Historic Site of Canada

Measure Description (Continued)

In 2011, the Provincial Auditor concluded that the quality of the annual reports assessed had improved, were accessible on the website, linked to the Government's overarching direction document and, for the most part, reflected best practices. The Provincial Auditor also concluded that the guidelines provided by the Ministry of Finance "support quality reporting ... provided agencies with sound guidance ... (and) were generally consistent with best practices other than they did not expect agencies to include performance targets." The Provincial Auditor went on to recommend that the Ministry of Finance encourage ministries to disclose performance targets in their annual reports.

While this performance measure is deemed to be an important and impartial assessment of government's collective work on "managing for results", it also presents some challenges:

Elements proposed by the CCAF or PSAB, such as the publication of targets and the description of a ministry's capacity to meet outcomes, are voluntary and proving to be difficult to implement in public sector environments. These are common challenges, found in many other jurisdictions, as governments strive to improve their reporting on public sector performance.

This performance measure is not solely within the control of the Ministry; however, steps are taken across government to continually improve the quality, reliability and accessibility of documents, thereby increasing transparency and public accountability.

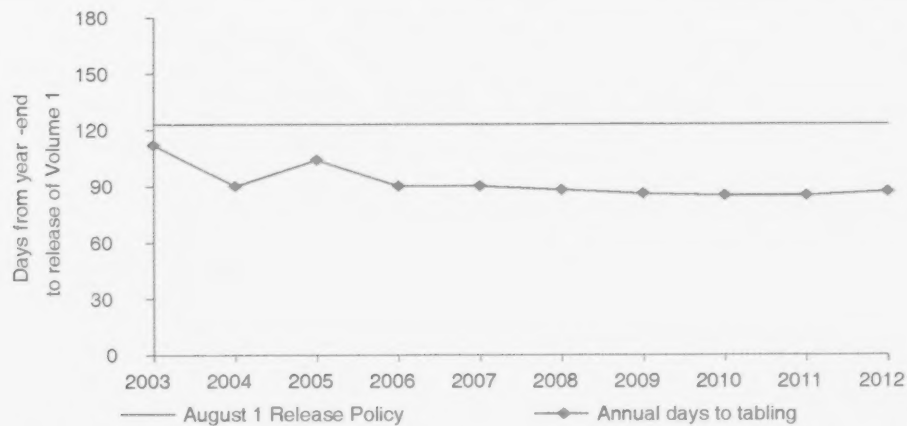
In the fall 2012 Report, the Provincial Auditor did not write a specific chapter on government accountability, resulting in a lack of data for this performance measure in 2012.



Photo Credit: Saskatchewan Watershed Authority, SWA employees, water quality monitoring, Moose Jaw River

Measure

Timeliness of the Release of Public Accounts, Volume 1



Source: Saskatchewan Public Accounts

Measure Description

The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled in accordance with *The Financial Administration Act, 1993* (FAA). The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other government organizations. Volume 1 contains the General Revenue Fund Financial Statements and the Summary Financial Statements (SFS).

Government's financial statements demonstrate accountability for the resources, obligations and financial affairs for which the Government is responsible. Continued strong financial reporting through timely, reliable and relevant financial statements is essential to strong accountability.

Timeliness of financial statements contributes to government's accountability and demonstrates Finance's leadership for good governance, transparency and accountability across government. Under the FAA, the Public Accounts must be tabled on or before October 31st. In 2000, the Government established a policy of tabling Volume 1 of the Public Accounts on or before August 1st. For the last several years, the Government has been in a position to table Volume 1 in late June.



Photo Credit: Tourism Saskatoon, Broadway Bridge

Measure

Percentage of Entities Meeting Tabling Deadline

Year	Percentage of Entities Meeting Tabling Deadline
2012-13	94%
2011-12	91%
2010-11	86%
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

Measure Description

The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their financial statements within 120 days of their year-end. Continued strong financial reporting by government entities is essential to strong accountability.

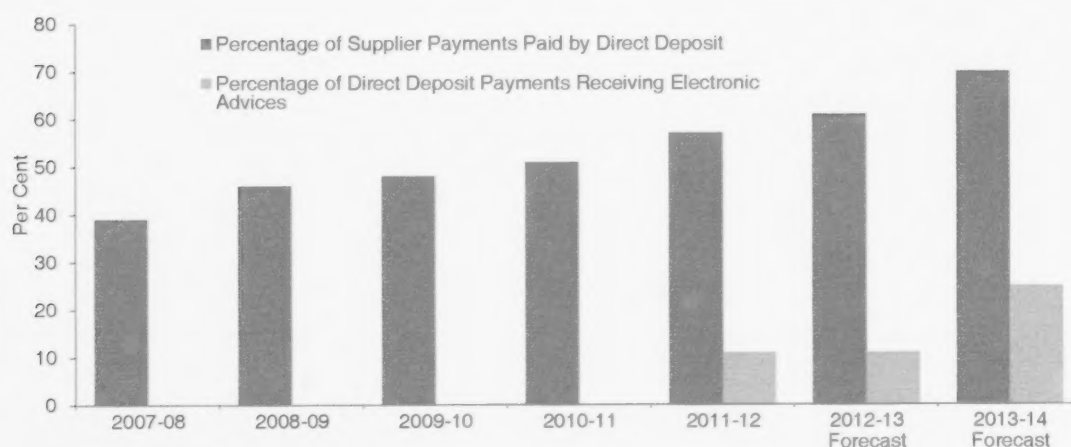
The Ministry, on behalf of Treasury Board, provides approval of the form and content of the financial statements in advance of the tabling. Finance is proactive in ensuring government entities table their financial statements on time (e.g., clearly communicates tabling deadlines) and monitors compliance with tabling deadlines. Finance's role contributes to timely, reliable and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates Finance's leadership for good governance, transparency and accountability across government.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Elbow Marina

Measure

Direct Deposit and Electronic Advice Usage for Supplier Payments



Source: Ministry of Finance

Measure Description

Continued improvements in the efficiency of the Government's payment processes through the use of direct deposit and electronic advices, contributes to the best use of public funds. A three year campaign is underway to increase direct deposit and electronic advice use by suppliers that conduct business with the Government.

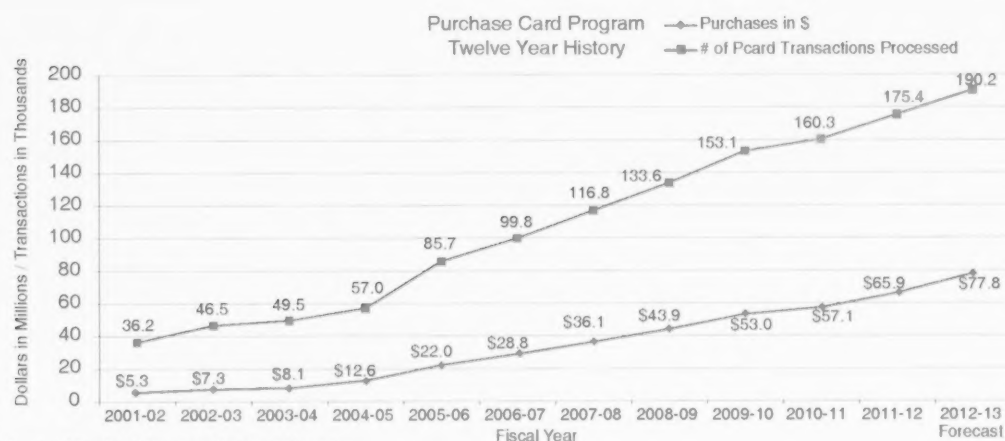
Currently, 61 per cent of supplier payments are made by direct deposit with 11 per cent receiving electronic advices. The target is to increase to 70 per cent direct deposit; and, of those receiving direct deposit, the target is to have 40 per cent receiving electronic advices. This target is based on a pilot that was conducted during the 2010-11 fiscal year. The uptake of both these initiatives is dependent on acceptance by suppliers. The use of electronic advices is also limited by the availability and acceptance of the internet by suppliers.



Photo Credit: Ministry of Parks, Culture and Sport, photo by Paul Austring, Buffalo Narrows

Measure

Purchase Card Usage in the Government



Measure Description

Purchase cards are a cost-effective way of making payments. Through the use of purchase cards, the Government is able to reduce administration and costs associated with the processing and payment of low dollar value purchases of goods and/or services up to a \$10,000 per transaction limit.

The total number and dollar value of purchase card transactions provides a measure of the level of efficiency being achieved.

For 2012-13, the number of purchases is expected to reach 190,000 transactions totalling \$77.8 million. This is a significant improvement from the inception of the purchase card program. The Ministry continues to work to improve the usage across government, which contributes to the best use of public funds. For 2013-14, a target has been set for 200,000 transactions totalling \$85 million.



Photo Credit: Ministry of Parks, Culture and Sport, Greg Huszar Photography, Evergreen Golf Course

Measure

Benefit-Cost Ratio of Audit and Compliance Activities

Year	Return on Investment
2012-13	380% (Target)
2013-14	380% (Target)

Source: Ministry of Finance, Revenue Division, Statistical Reports

Measure Description

Finance has increasingly placed more emphasis on promoting voluntary compliance of consumption tax statutes through education and outreach. The audit program remains an important tool to promote compliance with the Province's tax laws and to ensure equity and fairness for all businesses operating in Saskatchewan.

The benefit-cost ratio (BCR) measures the value of audit and compliance activities in relation to the costs of performing these activities. The Ministry's target for the initial implementation of this measure in 2012-13 was 380 per cent.

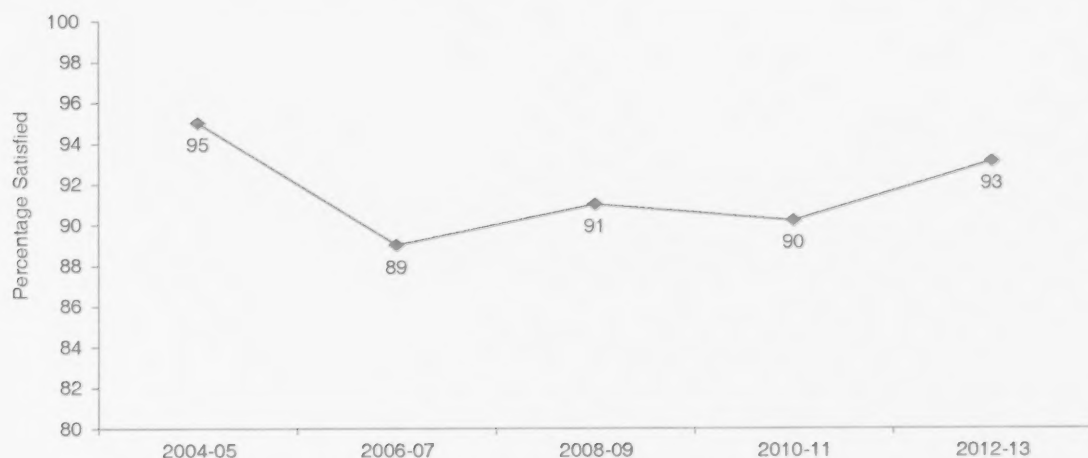
Since the first full year's data won't be available until the spring of 2013, the target for 2013-14 remains the same as 2012-13.



Photo Credit: Ministry of Environment

Measure

Client Satisfaction (of Businesses which Collect Taxes on Behalf of Government)



Measure Description

In 2002-03, the Ministry of Finance committed to conducting biennial satisfaction surveys of businesses collecting taxes on behalf of Government. This measures whether these clients are satisfied with the Ministry's quality of service and timeliness of responses, refunds, and adjustments. This allows businesses to evaluate the Ministry's performance and helps the Ministry to determine potential improvements for the timeliness of responses, refunds, and adjustments.

In 2012 surveys were sent to 532 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax, and Corporation Capital Tax.

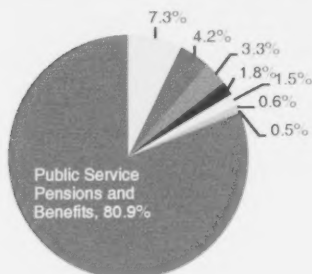
The biennial client satisfaction survey will be conducted again in 2014-15 as a means of measuring client satisfaction.

FINANCIAL SUMMARY

2013-14 Estimates	(in thousands of dollars)
Central Management and Services	6,396
Treasury and Debt Management	2,331
Provincial Comptroller	11,778
Budget Analysis	5,302
Revenue	26,337
Personnel Policy Secretariat	516
Research and Development Tax Credit	15,000
Miscellaneous Payments	140
Appropriation	67,800
Capital Asset Acquisitions	
Capital Asset Amortization	988
Expense	68,788
Public Service Pensions and Benefits	291,076
Total Expense	359,864
Total Appropriation	358,876
FTE Staff Complement	
Ministry	319.4

For more information, see the Budget Estimates at: <http://www.finance.gov.sk.ca/budget2013-14>

Composition of 2013 - 14 Ministry of Finance
Total Expense by Subvote (Total = \$359.9M)



- Revenue Division
- Research & Development Tax Credit
- Provincial Comptroller
- Central Management & Services
- Budget Analysis
- Treasury & Debt Management
- Other

Composition of 2013 - 14 Ministry of Finance
Expense by Subvote (Total = \$68.8M)

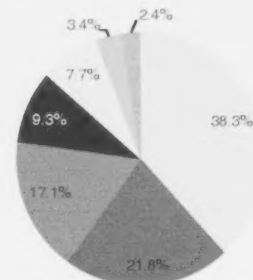




Photo Credit: Ministry of Parks, Culture and Sport, David Buckley, Canoeing, MacFarlane River

Highlights

2013-14 Ministry Budget Highlights

- ▮ The 2013-14 expense budget for the Ministry's operations is \$68.8 million, an increase of \$20,000 or 0.03 per cent.
- ▮ When Pensions and Benefits are included the budget grows to \$359.9 million, an increase of \$7.6 million or 2.2 per cent.
- ▮ The Ministry's FTE count (full-time equivalents) for 2013-14 is 319.4, a decrease of 9.9 FTEs or 3.0 per cent to achieve our Workforce Adjustment Strategy.
- ▮ The Ministry's 2013-14 budget provides:
 - ↳ \$291.1 million for Pensions and Benefits funding requirements;
 - ↳ \$15.0 million, status quo funding, for the Research and Development (R&D) Tax Credit;
 - ↳ \$2.7 million for continued operation of the Centralized Accounts Payable unit for all of Executive Government;
 - ↳ \$0.3M for revenue systems replacement planning; and,
 - ↳ \$0.1M to meet expanded obligations for planning, accountability, and reporting, including government's program review priority.

Other Ministry Highlights:

- ▮ Timely release of financial information - Saskatchewan has consistently released Public Accounts in 90 days; only two other provinces have been able to maintain this standard.
- ▮ Approve financial statements for 103 government agencies, which are to be tabled within 120 days of the agencies fiscal year end. Saskatchewan has achieved 94 per cent entities meeting the tabling deadline, which has been trending upwards from a low of 76 per cent in 2006-07.
- ▮ The Ministry produces 800,000 cheques and deposit notifications to suppliers, employees and program recipients, supported 6,500 financial system users and responded to over 12,000 Help Desk calls in 2012-13.
- ▮ Approximately 53,000 businesses on the tax roll and 36,000 Farm Fuel Permits are renewed annually by Finance staff.
- ▮ Achieve accurate cash forecasting, efficient use of cash balances, and manage \$2.5B in money market securities.
- ▮ Budget reviews, production of Estimates and quarterly reports, and publication of ministry plans and annual reports are all produced within the respective deadlines.
- ▮ Provide advice to the Sub-Committee on Public Sector Bargaining on 39 collective agreements covering more than 62,000 FTEs.

For More Information

Please visit the Ministry's website at www.finance.gov.sk.ca for more information on the Ministry's programs and services.

Front Page Photo Credits



Canola and flax fields

Photographer, Charles Melnick



Biking, Narrows Hills Provincial Park

Greg Huszar Photography



Over the Hill Orchards

Greg Huszar Photography



Saskatchewan Legislative Building

Greg Huszar Photography